

**Exhibit 300 (BY2008)**

<b>PART ONE</b>	
<b>OVERVIEW</b>	
<b>1. Date of Submission:</b>	2007-02-05
<b>2. Agency:</b>	009
<b>3. Bureau:</b>	90
<b>4. Investment Name:</b>	PSC Accounting for Pay System (AFPS)
<b>5. UPI:</b>	009-90-01-01-01-1013-00
<b>6. What kind of investment will this be in FY2008?</b>	
Operations and Maintenance	
<b>7. What was the first budget year this investment was submitted to OMB?</b>	
FY2001 or earlier	
<b>8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.</b>	
<p>The Program Support Center (PSC), Financial Management Service (FMS), Division of Financial Operations (DFO), provides a full range of financial and accounting services for a variety of HHS customers and other federal agencies. AFPS supports both Human Capital and Budget Performance Integration initiatives by allowing the department to manage human resources costs against budgeted costs. AFPS fills this performance gap as it provides payroll and cost accounting services to the entire Department, and is the payroll interface between the payroll system (DFAS) and the accounting systems - the HHS Unified Financial Management System (UFMS) and the remaining legacy accounting systems. The AFPS provides a systematic interface of payroll accounting information necessary to account for disbursements, obligations, and accruals for personnel costs; generates accounting transactions; and, produce detailed expenditure control reports. The AFPS is in the steady-state phase of its life-cycle and will be fully integrated into the HHS UFMS as it is deployed throughout the Department. The Accounting for Pay System (AFPS) is scheduled to be integrated into the HHS Unified Financial Management System (UFMS) in FY07 although the budget for AFPS will continue separately through 2010. Continued operation of AFPS is required to provide accounting and financial management services to the PSC and its customer agencies.</p>	
<b>9. Did the Agency's Executive/Investment Committee approve this request?</b>	
yes	
<b>9.a. If "yes," what was the date of this approval?</b>	
2006-06-23	
<b>10. Did the Project Manager review this Exhibit?</b>	
yes	
<b>12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</b>	
yes	
<b>12.a. Will this investment include electronic assets (including computers)?</b>	
yes	
<b>12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)</b>	
no	
<b>13. Does this investment support one of the PMA initiatives?</b>	
yes	
<i>If yes, select the initiatives that apply:</i>	
Budget Performance Integration	
Human Capital	
<b>13.a. Briefly describe how this asset directly supports the identified initiative(s)?</b>	

AFPS supports both Human Capital and Budget Performance Integration initiatives by allowing the department to manage human resources costs against budgeted costs. AFPS provides payroll and cost accounting services to all of HHS. AFPS provides information necessary for disbursements, obligations, and accruals for personnel costs, generates accounting transactions, and produces detailed expenditure control reports.

14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?

no

14.a. If yes, does this investment address a weakness found during the PART review?

no

15. Is this investment for information technology (See section 53 for definition)?

yes

16. What is the level of the IT Project (per CIO Council's PM Guidance)?

Level 2

17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)

(1) Project manager has been validated as qualified for this investment

18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?

no

19. Is this a financial management system?

yes

19.a. If yes, does this investment address a FFIA compliance area?

yes

19.a.1. If yes, which compliance area:

Federal financial systems requirements

19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.

Unified Financial Management System (UFMS) ; Defense Finance and Accounting Service (DFAS);

20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)

<b>Hardware</b>	10
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<b>Software</b>	10
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<b>Services</b>	80
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21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?

n/a

22. Contact information of individual responsible for privacy related questions.

Name

Darlene Christian

Phone Number

301-443-5252

Title

Freedom of Information Officer

Email

Darlene.Christian@psc.hhs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

no

**SUMMARY OF SPEND**

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
<b>Planning Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Acquisition Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Maintenance Budgetary Resources</b>	1.439	1.861	1.935	2.013
<b>Government FTE Cost</b>	0.263	0.155	0.161	0.167
<b># of FTEs</b>	0	0	0	0.000

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

no

### PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2003	Improve financial management	No new material weaknesses or reportable conditions	No material weaknesses or reportable conditions in financial statement or SAS-70 audits	Financial statements and SAS-70 audit reports	Financial statements and SAS-70 audit reports
2	2003	Improve financial management	Provide payroll accounting reports and files to customers within	Provide user reports and files within five days of close of month	Report and file process date	Report and file process date

			three days of the close of the month			
3	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% audited financial statements receiving unqualified opinions	100%	100%	100%
4	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase on controllable operational costs	<5%	<5%	3%
5	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% payroll and cost reports produced within 5 days after the end of a covered period	95%	95%	100%
6	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% audited financial statements receiving unqualified opinions	100%	100%	100%
7	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase on controllable operational costs	3%	<3%	3%
8	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% payroll and cost reports produced within 5 days after the end of a covered period	5 days	<5 days	4 days
9	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management	% audited financial statements receiving unqualified	100%	100%	

		Practices"; Objective 8.4 "Improve Financial Management"	opinions			
10	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase on controllable operational costs	3%	<3%	
11	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% payroll and cost reports produced within 5 days after the end of a covered period	4 days	<4 days	
12	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% audited financial statements receiving unqualified opinions	100%	100%	
13	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase on controllable operational costs	3%	<3%	
14	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% payroll and cost reports produced within 5 days after the end of a covered period	4 days	<4 days	

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
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1	2006	Mission and Business Results	Accounting	% successful posting to Core Accounting System	95%	Improve to 100%	
2	2006	Customer Results	Response Time	% successful posting to Core Accounting System	95%	Improve to 100%	
3	2006	Processes and Activities	Cycle Time	% daily interface jobs processed successfully	95%	Improve to 100%	
4	2006	Technology	Availability	% time system is available	97%	Improve to 100%	
5	2007	Mission and Business Results	Accounting	% successful posting to Core Accounting System	95.5%	Improve to 100%	
6	2007	Customer Results	Response Time	% successful posting to Core Accounting System	95.5%	Improve to 100%	
7	2007	Processes and Activities	Cycle Time	% daily interface jobs processed successfully	95.5%	Improve to 100%	
8	2007	Technology	Availability	% time system is available	97.5%	Improve to 100%	

### EA

*In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.*

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

Accounting for Pay System (AFPS)

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

*Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.*

*Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.*

*Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.*

*Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.*

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	AFPS	AFPS provides a systematic interface of payroll accounting information to all HHS agencies	Financial Management	Payroll			No Reuse	100

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Payroll	Service Access and Delivery	Access Channels	Other Electronic Channels	on-line, real-time via IBM CICS
2	Payroll	Service Access and Delivery	Delivery Channels	Intranet	on-line, real-time via IBM CICS
3	Payroll	Service Platform and Infrastructure	Support Platforms	Platform Dependent	COBOL programming language
4	Payroll	Service Platform and Infrastructure	Delivery Servers	Application Servers	IBM Titan OS/390 mainframe
5	Payroll	Service Platform and Infrastructure	Database / Storage	Database	Virtual Storage Access Method (VSAM)
6	Payroll	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	IBM Titan OS/390 mainframe

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

yes

5.a. If yes, please describe.

AFPS utilizes outputs from the Defense Finance and Accounting Service (DFAS) Payroll System (MYPAY) to assign accurate accounting impacts relating to employee pay and withholdings. The DFAS Payroll system is the E-Gov provider servicing HHS payroll needs.

6. Does this investment provide the public with access to a government automated information system?

no

### PART THREE

#### RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2003-04-30

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

### **COST & SCHEDULE**

1. Was operational analysis conducted?

yes

1.a. If yes, provide the date the analysis was completed.

2006-12-14

What were the results of your operational analysis?

AFPS was evaluated against NIST 800-53 requirements specifically in areas of Risk Assessment, System Security Plan, Certification and Accreditation, Identification and Authentication, Audit and Accountability, and Change Control. Any minor findings were noted and are being corrected. AFPS support staff and contract are adhering to cost and schedule goals and are meeting/exceeding customer business needs for Payroll Accounting services (Human Capital and Budget Performance Integration).